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Colombia Grain and Feed Tariff Rate Quotas for 2006 2005

Approved by:

David J. Mergen U.S Embassy

Prepared by:

Leonardo Pinzon

Report Highlights:

The Colombian government established a 2006 tariff rate quota for yellow corn of 2.1 million tons, white corn of 60,000 tons and soybeans 300,000 tons. Imports under TRQ's will receive a 10 percentage point duty reduction from the MNF price band duty.

Includes PSD Changes: No Includes Trade Matrix: No Unscheduled Report Bogota [CO1] The Colombian Government published on Friday (Nov. 25 in Decree 4300) tariff-rate quotas (TRQ's) for yellow corn, white corn and soybeans that will be in effect for 2006 for non-Andean countries. The TRQ's will be in place from December 1, 2005 to November 30, 2006.

The 2006 TRQ's are as follows:

Yellow corn - 2.1 million tons (an increase from 1.9 million tons in 2005) White corn - 60,000 tons (an increase from the 40,000 tons TRQ in 2005) Soybeans - 300,000 tons (an increase from the 150,000 tons TRQ in 2005)

The in-quota and over-quota duties will not change from the TRQ's for 2005. The in-quota duty will be a 10 percentage point reduction off the MFN price band duty. The over quota duty will be the price band duty for yellow corn and soybeans and 45 percent for white corn.

The TRQ's will be assigned through an auction process where companies bid for local production in order to obtain import volumes with a tariff reduction. In the last auction for yellow corn held on September 25, importers were assigned 4.3 tons of imports for 1 ton of local production purchased under the 2005 TRQ. For soybeans, importers had to purchase 1 ton of local production to be allowed to import 2 tons under the 2005 TRQ. For white corn the ratio was 1 ton of imports under the TRQ for 4 tons of local production purchased.

No date has been set for the initial auction for the 2006 TRQ.